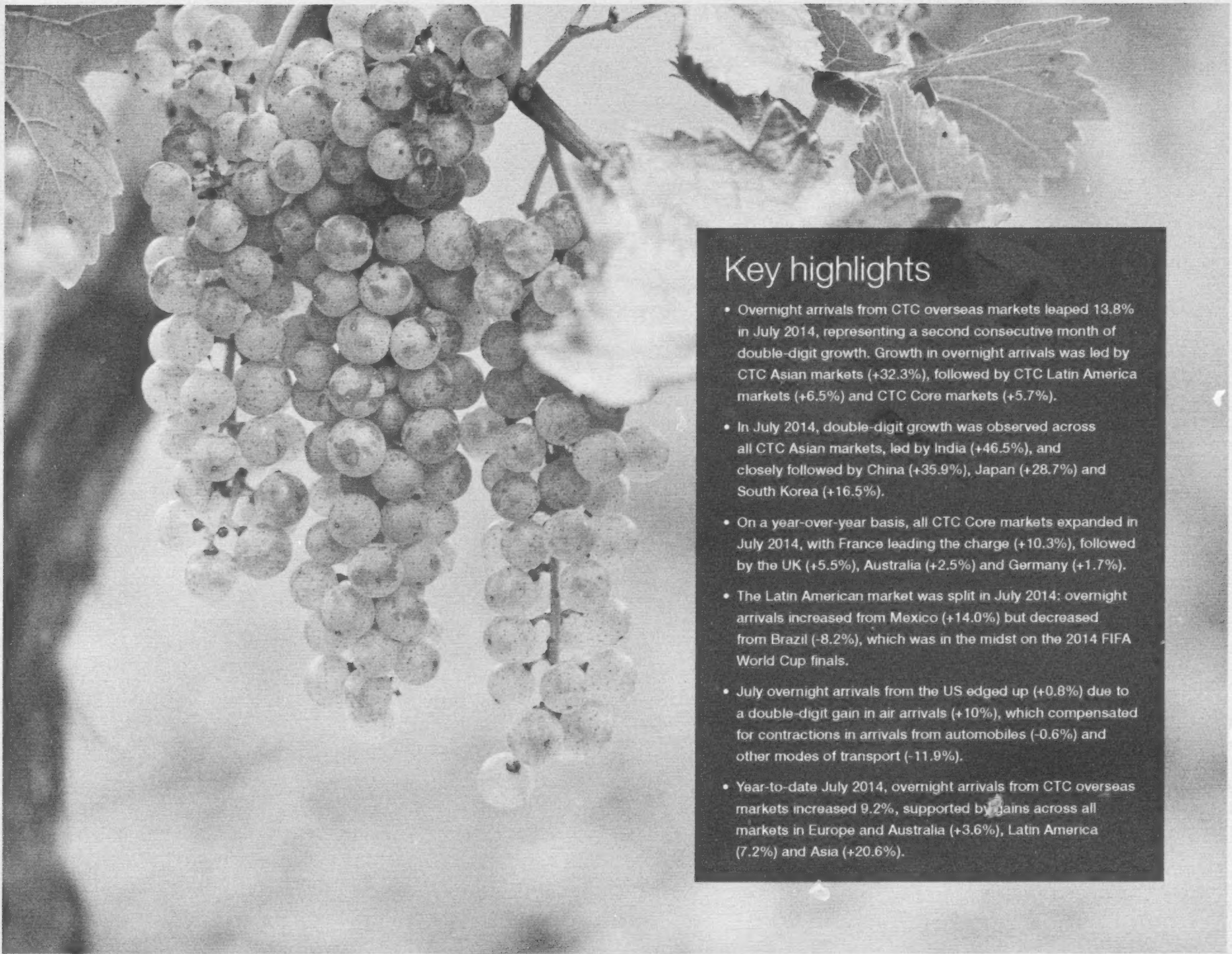


Tourism Snapshot

A focus on the markets in which the CTC and its partners are active





Key highlights

- Overnight arrivals from CTC overseas markets leaped 13.8% in July 2014, representing a second consecutive month of double-digit growth. Growth in overnight arrivals was led by CTC Asian markets (+32.3%), followed by CTC Latin America markets (+6.5%) and CTC Core markets (+5.7%).
- In July 2014, double-digit growth was observed across all CTC Asian markets, led by India (+46.5%), and closely followed by China (+35.9%), Japan (+28.7%) and South Korea (+16.5%).
- On a year-over-year basis, all CTC Core markets expanded in July 2014, with France leading the charge (+10.3%), followed by the UK (+5.5%), Australia (+2.5%) and Germany (+1.7%).
- The Latin American market was split in July 2014: overnight arrivals increased from Mexico (+14.0%) but decreased from Brazil (-8.2%), which was in the midst on the 2014 FIFA World Cup finals.
- July overnight arrivals from the US edged up (+0.8%) due to a double-digit gain in air arrivals (+10%), which compensated for contractions in arrivals from automobiles (-0.6%) and other modes of transport (-11.9%).
- Year-to-date July 2014, overnight arrivals from CTC overseas markets increased 9.2%, supported by gains across all markets in Europe and Australia (+3.6%), Latin America (7.2%) and Asia (+20.6%).

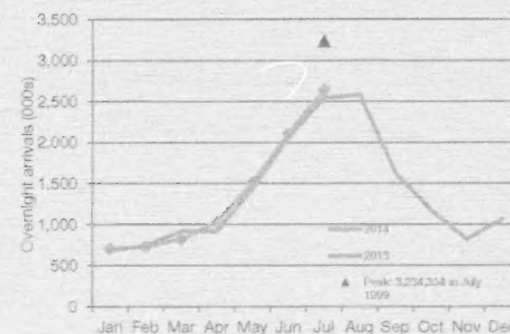
Tourism review Inbound highlights

Overnight trips to Canada

	July 2014	14/13 July % Change	Jan. - July 2014	Year-to-date % Change
United States				
Automobile	1,136,018	-0.6	3,785,476	-2.2
Plane	555,928	10.0	2,298,327	7.6
Other	210,225	-11.9	684,552	-9.1
US Total	1,902,171	0.8%	6,768,355	0.2%
Core Markets				
UK	92,251	5.5	365,743	2.6
France	74,059	10.3	255,055	3.9
Germany	44,677	1.7	167,551	3.4
Australia	32,888	2.5	154,337	5.6
Core Total	243,875	5.7%	942,686	3.6%
Emerging/Transition Markets				
Japan	32,152	28.7	132,027	12.6
South Korea	25,381	16.5	93,524	10.8
Mexico	28,098	14.0	105,505	12.3
Brazil	11,546	-8.2	53,371	-1.5
China	71,622	35.9	245,441	29.9
India	24,758	46.5	106,672	20.7
Emerging/Transition Markets Total	193,557	26.0%	736,540	17.4%
CTC Overseas Key Markets	437,432	13.8%	1,679,226	9.2%
Other Overseas Countries	303,660	10.2%	1,098,613	7.0%
Total Non-US Countries	741,092	12.3%	2,777,839	8.4%
Total Countries	2,643,263	3.8%	9,546,194	2.4%

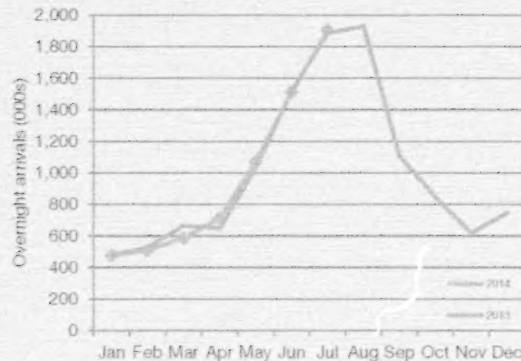
Note: Statistics Canada preliminary estimates.
Source: Statistics Canada, International Travel Survey.

International trips



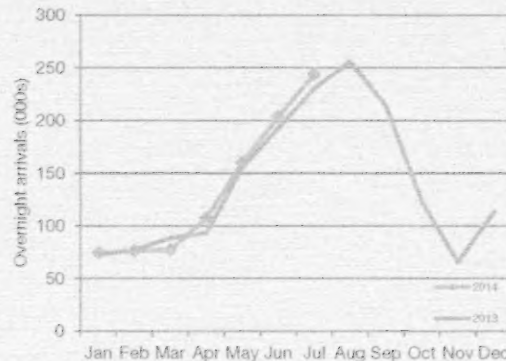
- Canada welcomed 2,643,263 international visitors in July, an increase of 3.8% over July 2013. Year-to-date July 2014, Canada received approximately 9.5 million international visitors, up 2.4% compared to the same period last year.
- The visitor peak on record during the month of July occurred in 1999 with about 3,234,000 international visitors to Canada.
- In July, overnight arrivals from CTC's Core markets increased 5.7%, with all four markets showing healthy gains. Year-to-date July 2014, arrivals from Core markets were up 3.6% over the same period last year to 942,686.
- In July, arrivals from Emerging and Transition markets grew 26.0%, thanks to double-digit increases from India (+46.5%), China (+35.9%), Japan (+28.7%) and Mexico (+14.0%). As a result, year-to-date July 2014, arrivals from CTC's Emerging and Transition markets rose 17.4% over the same period last year to 736,540.

United States



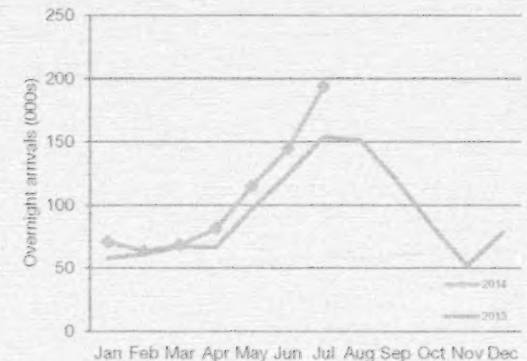
- Overnight arrivals from the US edged up (+0.8%), with a 10.0% gain in overnight air arrivals compensating for the 0.6% and 11.9% decrease in travellers arriving by auto and other modes of transport respectively.
- Year-to-date July 2014, overnight arrivals from the US was relatively flat (+0.2%) compared to the same period last year.
- In July 2014, the number of entries by Americans increased nearly in all provinces, with the largest increase in Nova Scotia (+13.3%), followed by Alberta (+8.4%) and PEI (+7.7%).
- Year-to-date July 2014, year-over-year gains in US tourists were registered in Nova Scotia (+13.8%), Newfoundland and Labrador (+10.0%), Alberta (+5.8%), PEI (+4.4%), Quebec (+3.4%) and British Columbia (+2.9%).

Core Markets



- All CTC Core markets registered gains in July, with France posting the largest increase (+10.3%), followed by the UK (+5.5%), Australia (+2.5%) and Germany (+1.7%).
- Year-to-date July 2014, overall arrivals from Core markets increased 3.6%, with the largest year-over-year gains from Australia (+5.6%) and France (+3.9%).

Emerging Markets

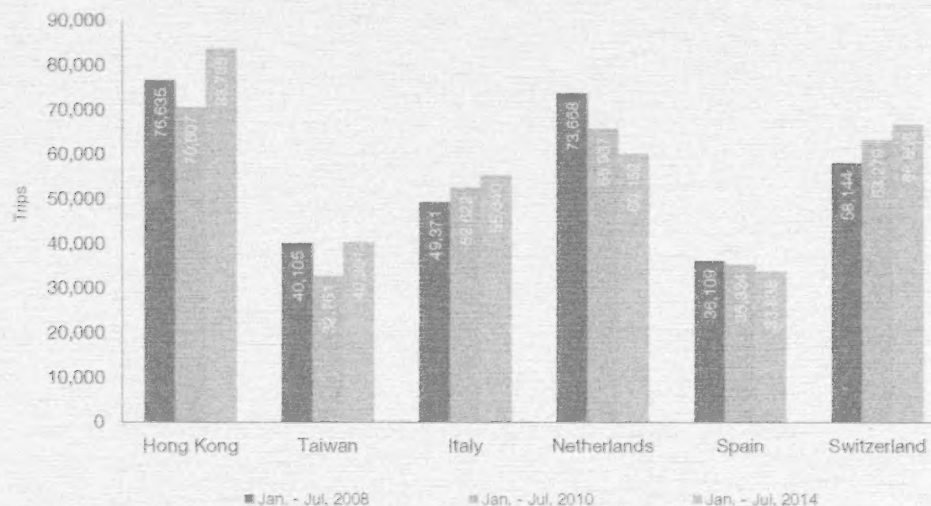


- The CAN+ visa program implemented in May in Mexico helped to account for the double-digit rise (+14.0%) in visitors in July—the third consecutive month of double-digit growth.
- The upswing of arrivals from Japan (+28.7%) in July was partly facilitated by increased air capacity between Tokyo (Haneda) and Vancouver/Toronto.
- In July 2014, China (+35.9%) and India (+46.5%) continued to post strong numbers. Brazil, hosting the 2014 FIFA World Cup finals in July, understandably posted a decrease of 8.2%.
- Year-to-date July 2014, overall arrivals from CTC's Emerging and Transition markets increased 17.4% over 2013. The best performers were China (+29.9%), India (+20.7%), Mexico (+12.3%) and South Korea (+10.8%).

Market Watch

- In July 2014, overnight arrivals from secondary European markets were all positive. Spain was the best performer (+24.0%), followed by Italy (+18.5%), the Netherlands (+6.3%) and Switzerland (+4.4%).
- Year-to-date July 2014, overnight arrivals from secondary European markets grew, led by Spain (+15.7%), and followed by Italy (+15.1%), Switzerland (+5.4%), and the Netherlands (+3.4%).
- Arrivals from Taiwan (+14.0%) and Hong Kong (+1.2%) grew in July 2014.
- During the first seven months in 2014, both Taiwan (+11.2%) and Hong Kong (+4.8%) saw gains in arrivals compared to the same period in 2013.

Overnight trips to Canada, by selected markets



Note: Statistics Canada preliminary estimates. Source: Statistics Canada, *International Travel Survey*.

Overnight trips to Canada, by selected markets

	July 2014	14/13 July % Change	Jan. - July 2014	Year-to-date % Change
Italy	15,980	18.4	55,340	15.1
Netherlands	20,907	6.3	60,152	3.4
Spain	10,968	24.0	33,838	15.7
Switzerland	25,440	4.4	66,156	5.4
Hong Kong	21,277	1.2	83,735	4.7
Taiwan	11,471	14.0	40,301	11.2

Note: Statistics Canada preliminary estimates.
Source: Statistics Canada, *International Travel Survey*.

Competitive review (January - July 2014)**

International Travel (in thousands)

Trips From:	Trips To:			
	Canada		Australia	
		14/13 Change		14/13 Change
Total International ¹	5,076	8.0	3,805	9.5
United States (Air Only) ²	2,298	7.6	313	9.8
Canada	78	9.9
Core Markets				
United Kingdom	366	2.6	353	1.7
France	255	3.9	64	6.9
Germany	168	3.4	97	11.3
Australia	154	5.6
Emerging/Transition Markets				
Japan	132	12.6	172	1.8
South Korea	94	10.8	115	1.9
Mexico	106	12.3
Brazil	53	-1.5	24	23.3
China	245	29.9	504	14.0
India	107	20.7	112	19.3
Total Key Markets ³	3,978	8.3	1,832	8.6

... Not applicable or data not available.

Note: Statistics Canada preliminary figures.

Sources: Statistics Canada; Tourism Australia.

** US visitation data was not available due to a delay of the change of entry process for US visitors.

¹ The total international figure includes total arrivals from overseas countries and United States arrivals by air only.

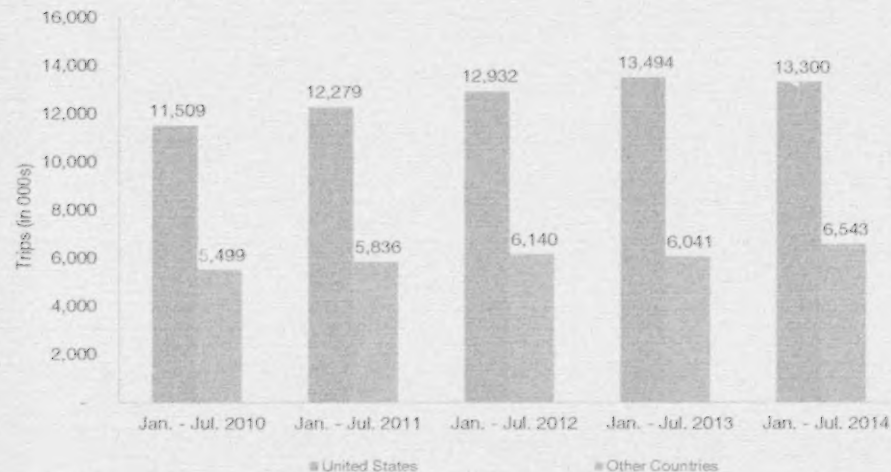
² The United States figure is for arrivals by air only.

³ The figure includes total arrivals for the 10 key overseas markets and the United States arrivals by air only.

- Year-to-date July 2014, Australia continued to register a large increase in total international arrivals (+9.5%), while total arrivals to Canada increased by 8.0% over 2013.
- Australia posted strong growth in arrivals from North America, up 9.8% from the US and 9.9% from Canada.
- Year-to-date July 2014, Australia registered larger gains in arrivals from Germany and France than Canada, although the actual number of visitors from these two countries to Canada were much larger than to Australia.
- Canada posted larger increases in arrivals from South Korea (+10.8% YTD) and Japan (+12.6% YTD) compared to much smaller gains reported by Australia.
- Both Australia and Canada welcomed more Chinese travellers in July 2014 compared to July 2013. While Canada registered larger growth than Australia in July arrivals, Australia has already welcomed more than twice as many Chinese travellers than Canada.
- While Brazil was Australia's fastest-growing market (+23.3%), Canada saw a 1.5% decrease in the number of Brazilian arrivals during the first seven months in 2014.

Canadian outbound trips

Overnight trips by Canadians



Note: Statistics Canada preliminary estimates. Source: Statistics Canada, *International Travel Survey*.

- In July 2014, Canadian outbound travel decreased 1.9% over the same month last year to 3,093,644 trips.
- While the number of Canadians visiting the US during the month of July decreased 5.3% to 2.3 million trips, Canadian overnight travel to overseas destinations (excluding the US) rose 10.6% to 757,887 trips.
- Year-to-date July 2014, overall outbound trips by Canadians grew 1.6% to 19.8 million trips, while trips to the US decreased slightly (-1.4%).
- In July 2014, most Canadians re-entered the country from the US through Ontario (923,494 entries, -6.9%), BC (527,934 entries, -4.9%) and Quebec (511,634 entries, -5.0%).
- In July 2014, the top three re-entry points for Canadians returning from overseas countries were Ontario, Quebec and BC. All three provinces recorded gains in numbers of re-entry, up 14.9%, 0.8% and 8.7% respectively.

Overnight trips by Canadians

	July 2014	14/13 July % Change	Jan. - July 2014	Year-to-date % Change
United States	2,335,757	-5.3	13,300,183	-1.4
Other Countries	757,887	10.6	6,542,810	8.3
Total Trips from Canada	3,093,644	-1.9	19,842,993	1.6

Note: Statistics Canada preliminary estimates.
Source: Statistics Canada, *International Travel Survey*.

Consumer outlook

Consumer confidence

- **Canada:** Although the Index of Consumer Confidence remains above where it was at this time last year, the recent trend in the national index has been negative. With a drop of one point to 85.9 (2002 = 100) in July, the Canadian index has now dropped for three consecutive months.
- **USA:** The Conference Board Consumer Confidence Index®, which had increased in June, improved again in July. The Index now stands at 90.3(1985=100), up from 85.2 in June.

Sources: Consumer Confidence Index, the Conference Board (USA); and Index of Consumer Confidence, the Conference Board of Canada.

Accommodations

- In July 2014, the National Occupancy Rate recorded a marginal increase of 1.7 points to 73.5%. Manitoba registered the largest increase (+6.6 points), followed by Quebec (+5.3 points) and Yukon (+3.7 points).
- Year-to-date July 2014, the National Occupancy Rate rose slightly (+1.5 points to 62.9%) compared with the previous year. PEI (+3.1 points), BC (+3.1 points), Quebec (+2.3 points), Ontario (+1.8 points), Nova Scotia (+1.3 points) and Northwest Territories (+0.1 points) saw gains in occupancy, while Newfoundland and Labrador (-6.3 points) and Saskatchewan (-3.8 points) experienced drops.
- Year-to-date July 2014, the National Average Daily Rate improved to \$135.40, up 3.3% compared with the same period in 2013. Alberta, BC and Newfoundland and Labrador posted rates higher than the National Average Daily Rate.
- Year-to-date July 2014, the Average Revenue per Available Room (RevPAR) was \$85.11 (+5.9%), with BC (+9.8%, \$87.34) posting the largest growth, followed by PEI (+9.0%, \$55.90).

Canadian Occupancy Rates, By Province*

	July 2014	14/13 Change [^]	Jan. - July 2014	Year-to-date Change [^]
Alberta [†]	70.3	-2.1	67.4	-0.3
British Columbia	78.6	2.3	63.1	3.1
Saskatchewan	69.0	-0.1	63.5	-3.8
Manitoba	67.4	6.6	59.9	-1.4
Ontario	71.2	1.6	62.4	1.8
Quebec	75.7	5.3	63.1	2.3
New Brunswick	74.0	2.4	53.8	0.5
Nova Scotia	73.0	-0.1	58.2	1.3
Newfoundland	82.9	-2.7	63.0	-6.3
Prince Edward Island	77.4	2.2	46.9	3.1
Northwest Territories	64.1	-9.1	68.5	0.1
Yukon	89.7	3.7	65.5	-0.4
Canada	73.5	1.7	62.9	1.5

* Note: Based on the operating results of 225,190 rooms (unweighted data).

[^] Percentage points.

[†] Excluding Alberta resorts.

Source: PKF Consulting Inc. with reproduction and use of information subject to PKF Disclaimer and Restrictions as detailed at www.pkfcanada.com.